



City of Santa Barbara
Airport Department

DATE: September 21, 2011
TO: Airport Commission
FROM: Karen Ramsdell, Airport Director
SUBJECT: Lease Agreement – Daniel R. Waller, dba Precision Motorcycle Services

RECOMMENDATION:

That Commission approve and authorize the Airport Director to execute a five-year Lease Agreement with Daniel R. Waller, a sole proprietor, dba Precision Motorcycle Services for 2,281 square feet of industrial space in Building 225, Unit B, at 6150 Francis Botello Road, at the Santa Barbara Airport, effective August 1, 2011, for a monthly rental of \$2,395, exclusive of utilities.

DISCUSSION:

The subject Premises is located north of Hollister Avenue in an Airport Industrial (AI) zone.

Mr. Waller has been a tenant in good standing at the Airport since March 1, 1979, leasing office and shop space for a motorcycle repair business. The use conforms to existing zoning.

Mr. Waller is at the end of a five year lease. The Airport originally proposed a rental increase of 1.5% for the first year of a new five-year lease. Between 2006 and 2011, Mr. Waller's rent increased a total of 13.4%. Since he was not a month-to-month tenant, he did not benefit from the moratorium on rental increases. Based on the condition of Mr. Waller's space in Building 225, which has not received any improvements, and the average rental being paid by month-to-month tenants for similar spaces, the Airport is recommending a market adjustment, which will reduce Mr. Waller's rent by \$286 per month. Succeeding annual adjustments will be no less than 3% and no greater than 8%.

The proposed monthly rental is based on a rate of \$1.05 per square foot for Industrial space and is comparable to other buildings and land on the Airport for similar use and in similar condition. The current Industrial rate ranges from \$.95 to \$1.50.

In addition, Mr. Waller will also pay monthly utility charges of \$65.50 for water, or the metered amount, whichever is greater, and \$35.25 for sewer service.

The proposed Lease Agreement has been negotiated based upon the criteria set forth in Resolution 93-127, and has been reviewed and determined to be exempt from environmental review.

PREPARED BY: Business & Property Division

ATTACHMENT: Map